

June 23, 2005

Mr. Bill Bogan, Jr., CPA, CGFO
Director of Finance
Leon County, Florida

Dear Mr. Bogan:

We are pleased to submit our request for the renewal of our *Agreement for Auditing Services* ("Agreement") dated July 30, 2002, as provided under paragraph 1 of the Agreement. We will provide all services defined in the Agreement including audits of the Financial Statements of the County, the Constitutional Officers of the County, federal grants, statutory special purpose reports, and other entitlement programs of the County. All such audits are more specifically identified in Exhibit I of this letter.

Our audits shall cover the fiscal years ended September 30, 2005 and September 30, 2006. The scope of our services shall conform to Exhibit A of the Agreement and shall be performed in accordance with the following standards and requirements: generally accepted auditing standards; the standards for financial audits set forth in the United States General Accounting Office's ("GAO") *Government Auditing Standards*, 2003 revision; the provisions of the federal *Single Audit Act of 1996*, the United States Office of Management and Budget ("OMB") *Circular A-133, Audits of State and Local Governments*; Sections 11.45, 215.97, and 218.39 Florida Statutes; and Chapter 10.550, Rules of the Auditor General Local Governmental Entity Audits.

Further, our services shall comply with the United States Comptroller General's recently issued technical amendment to the CPE requirements contained in the 2003 revision of *Governmental Auditing Standards* (April 2005) and the GAO's guidance contained in *Government Auditing Standards: Guidance on GAGAS Requirements for Continuing Professional Education* (GAO-05-568G, April 2005).

Our estimated hours and fees for the audits and related reports, as listed in *Exhibit I*, for the fiscal year ended September 30, 2005 are reflected in the following table:

Level of Personnel	Estimated		Total Fees
	Total Hours	Hourly Rates	
Partner	150	\$ 185	\$27,750
Principal	175	160	28,000
Manager	530	140	74,200
Senior	530	120	63,600
Staff	700	100	70,000
Support	115	40	4,600
Total	2,200		\$268,150
Discount			(93,150)
Net Fees			<u>\$175,000</u>

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Our fees for the other services and reports listed in *Exhibit II* will be billed separately at rates and hours to be negotiated.

We propose that the same fees shall be applicable to the audits and related reports for the fiscal year ended September 30, 2006. In the event the County's internal audit department assumes additional responsibility during the audit process, we will consider a reduction of our fee. Any fee reduction would be directly related to the anticipated reduction in hours of our professional staff and the level at which that reduction would occur.

We will be pleased to discuss our request for renewal of our contract or provide any information you may require.

Yours truly,

Thomas Howell Ferguson P.A. Law, Redd, Crona, & Munroe, P.A.

Thomas Howell Ferguson P.A.

Law, Redd, Crona, & Munroe, P.A.

Leon County
Financial Statement and Report Summary
Audits of Constitutional Officers and Special Reports
September 30, 2005

Countywide – Comprehensive Annual Financial Report (CAFR)

Auditor General Package (all constitutional officers, plus countywide)

Single Audit Package (countywide, single audit reports, management comments)

Report to the Audit Committee

Board of County Commissioners

Clerk of the Court

Sheriff

Tax Collector

Property Appraiser

Supervisor of Elections

Landfill Escrow

Data Collection form

Conflict Attorney

Leon County
Financial Statement and Report Summary
Other Services and Reports
September 30, 2005

Statement of County Funded Court Related Functions

Consent Agreements

Required Transfer Station Reports

Incremental changes to compliance and internal control testing resulting from new grant awards

Other Reports as Required or Agreed Upon